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SUBJECT: TREASURY DEPUTY SECRETARY KIMMITT MEETS GERMAN JUSTICE MINISTER ZYPRIES ON SANCTIONS, TERRORIST FINANCING, AND IPR

Classified By: EMIN Robert F. Cekuta for Reasons 1.4 (b) and (d)

¶1. (C) Summary -- Meeting with German Justice Minister Zypries February 8, U.S. Deputy Treasury Secretary Kimmitt, accompanied by Ambassador, discussed Germany's goals, as EU and G-8 President, for combating intellectual property rights violations, UN sanctions on Iran, and international efforts to combat terrorists' use of the global financial system. On SWIFT, while noting concerns about the substance of a U.S./EU agreement, Zypries stated information on the effectiveness of the program would help assuage public concerns in Europe.
End Summary.

Intellectual Property Rights

¶2. (C) Discussion began with Zypries noting that IPR is a top priority for Germany, especially in the context of its current role as EU and G-8 president. German IPR policy, she said, is developing on the national level, with work progressing on a new copyright law, as well as in the EU and G-8 frameworks. German IPR goals in the EU focus on (1) adopting minimum standards for criminal procedures in connection with copyright and trademark infringement cases, and (2) establishing a framework for allowing private commercial entities to get access to the IP addresses of IPR pirates. In the G-8 framework, Germany is pushing for a thorough evaluation of existing international conventions in terms of their adequacy in addressing IPR violations.

¶3. (C) Deputy Secretary Kimmitt agreed national legislation is a necessary first step, but stressed that priority and resources must be given to enforcement of legislation. Transnational enforcement measures require particularly close cooperation. China, for example, has IPR laws on the books but has been sporadic in terms of enforcement. Treasury Deputy Secretary Kimmitt welcomed the German idea to forge greater consensus on international IPR conventions.

Sanctions on Iran

¶4. (C) Turning to the issue of Iran sanctions, Deputy Secretary Kimmitt stressed the need for international

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cooperation in implementing UNSCR 1737. He noted the resolution calls for specific action against organizations and individuals that are directly involved in Iran's efforts to acquire a nuclear capability. Now that the EU has issued a strong statement in support of the UN resolution, the next steps are to implement laws and dedicate enforcement resources to ensure Europe's banking system is not abused in

support of Iranian proliferation. The U.S., he added, stands ready to assist in any way possible, including technical assistance in drafting implementing legislation.

¶ 15. (C) Zypries noted her Ministry would be responsible for only part of Germany's efforts in connection with UNSCR 1737.

On issues related to foreign trade, the German MFA and Economics Ministry have the lead. The Minister added she is unhappy individuals and entities listed by the UN do not have legal recourse other than to seek redress in their home countries. By being listed, entities and individuals can face "very bad consequences." Treasury Deputy Secretary Kimmitt replied that the UN list was originally much longer, but had been narrowed as a result of lengthy negotiations. All fifteen UNSC members are satisfied that those listed are key proliferators and we should not shy away from implementing the will of the entire UNSC. Referring to Zypries' earlier comment on the effect on individuals and on organizations named in the resolution, Deputy Secretary Kimmitt said nuclear weapons in the hands of the Tehran regime would entail even more serious consequences for the broader publics we represent.

SWIFT/Terrorist Financing

¶ 16. (C) On the issue of TFTP/SWIFT, the Treasury Deputy Secretary recounted his prior conversation with Interior

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Minister Schaeuble (septel). Regarding European fears about possible misuse of data obtained from SWIFT, he noted the USG had imposed safeguards long before the current public debate began. He briefly outlined the elements of legal authorities, administrative oversight and external auditing, emphasizing the degree of specificity with which requests to SWIFT must be made. Treasury Deputy Secretary Kimmitt emphasized our wish to reach an understanding with the EU on

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the SWIFT issue, and noted the key role played by EU Commissioner Frattini. He said Frattini appears to agree with us on substance, but would prefer a U.S.-EU deal to be a binding international agreement. We prefer an exchange of letters through which we agree to respect each other's approaches on the issue. We must not allow form to become a problem, he added.

¶ 17. (C) Zypries said she remains concerned about the substance of a future U.S.-EU agreement on SWIFT. She asked whether our access to SWIFT's data base has yielded concrete results, noting that proof of the effectiveness of the program would help assuage European concerns. Deputy Secretary Kimmitt undertook to provide Zypries with a paper

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illustrating some of the positive results of the TFTP/SWIFT program.

¶ 18. (U) Deputy Secretary Kimmitt has cleared this message.
TIMKEN JR